

REPORT

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: BOOST FOR BUSINESS START UP
From: DIRECTOR OF PLANNING & DEVELOPMENT		
Date: 16 APRIL 1996	Ref: MMCC/JG/REPORT.012	

Introduction

Boost for Business Start Up has been operated by Motherwell District Council since April 1994 providing a grant for unemployed people enabling them to become self-employed. This report seeks to advise Committee in the operational procedures for the administration of Boost for Business Start Up.

During the period April 1994 to March 1996 Boost for Business Start Up awarded 135 grants to unemployed residents of Motherwell District. The project seeks to address Scottish Enterprises Business Birth Rate Strategy to increase the long term economic growth of the Lanarkshire economy by increasing the number of new businesses created in Lanarkshire and increasing the number of new starts that survive. Applicants for Boost for Business Start Up must undergo business counselling and training provided by the local Enterprise Development Company as a condition of receiving the grant. A grant of £500 is awarded to each applicant with a further £300 top up grant awarded by employment services if the applicant is long term unemployed ie they are unemployed for more than 29 weeks.

If successful a report outlining funding will be forwarded to the next Committee cycle. A decision is expected in May.

Funding

Boost for Business Start Up is funded jointly by North Lanarkshire Council, the Lanarkshire Development Agency and British Steel Industry. Match funding has been secured from Strathclyde European Partnership through the European Regional Development Fund. ERDF funding will continue until March 1998. An application is currently being considered by Strathclyde European Partnership to provide additional funding which would enable this project to be extended across North Lanarkshire on a similar basis to the Scheme which is operated in Motherwell District.

Operational Procedures

1. Applications for Boost for Business Start Up are forwarded from the Local Enterprise Development Company once an applicant has undergone assistance from that agency with the application form and completed the cash flow forecast. Applicants must undertake initial counselling and if required training from the local Enterprise Development Company in order to improve the prospects for the long term survival of the business.
2. Applications are considered at a monthly meeting of a panel made up of representatives from the local Enterprise Development Company, the Council and British Steel Industry Limited. This is done on a local basis with representatives from the local Enterprise Development Company advising on the applications under consideration.
3. Consideration is given to the viability of the business idea, commitment of the individual to the business idea and potential job creation of the business in the longer term.
4. The panel approves or rejects applications at the monthly meeting and the decision of the panel is communicated to the applicant by the economic development unit.
5. The applicant is required to provide proof that they have signed off the unemployment register before payment is made to them.

Timescale

It is aimed to be able to provide a decision on each application with 6 weeks of receiving the application. This is dependant on the quality of the original application and all relevant information being presented.

Monitoring

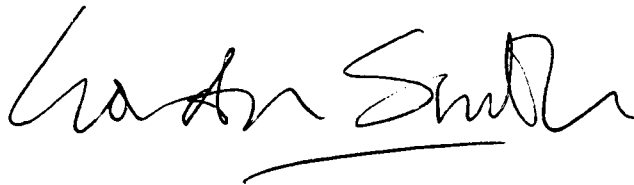
Recipients of the grant are monitored for a 3 year period and reported to Strathclyde European Partnership in order that the Council can conduct an evaluation of the direct economic impact of business start up schemes such as this. The results can then be used to influence longer term strategies.

A report on this project will be forwarded to Committee on a quarterly basis.

Recommendation

It is recommended that the Committee:-

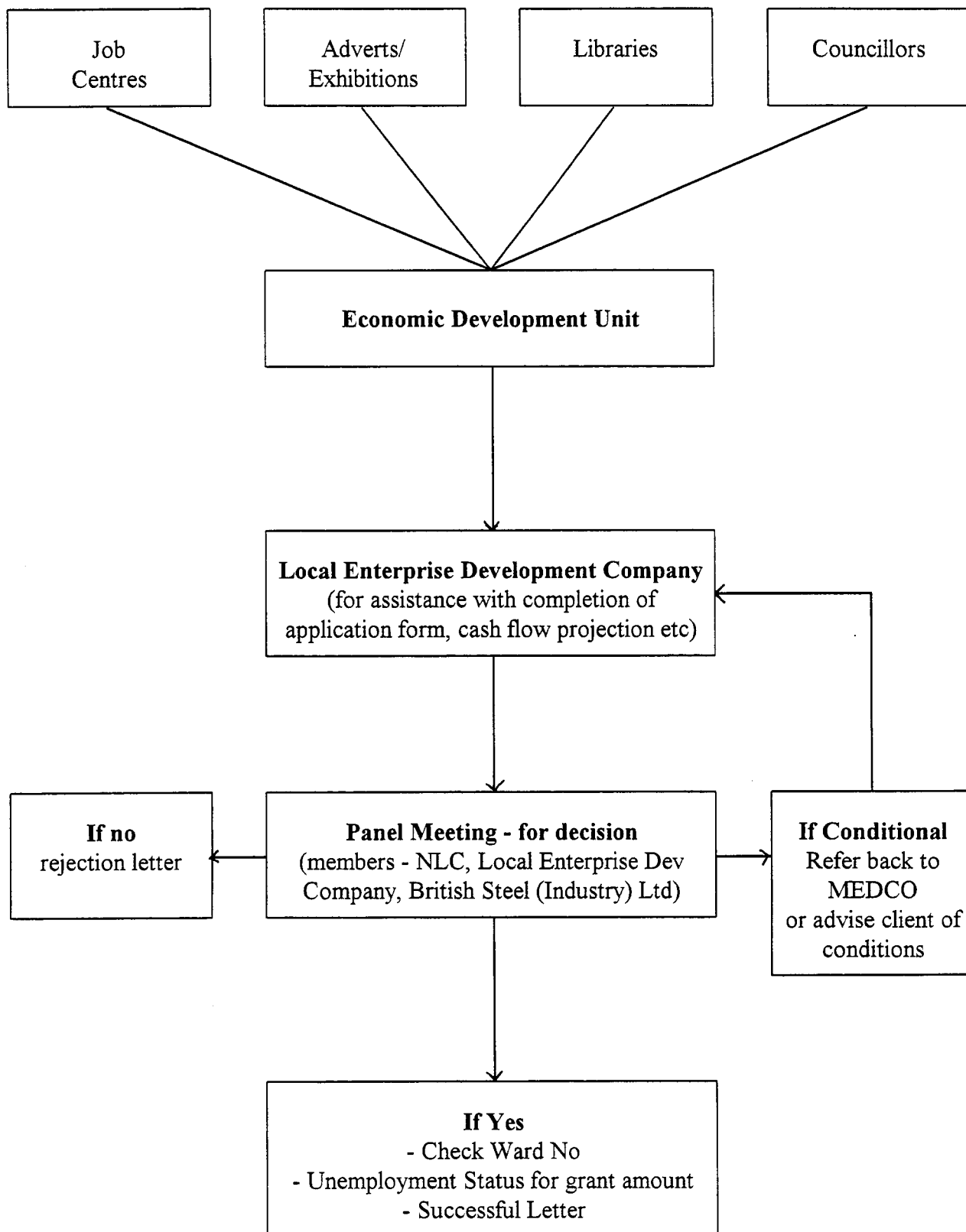
- (i) Note the contents of this report and approve the operational guide lines as outlined.

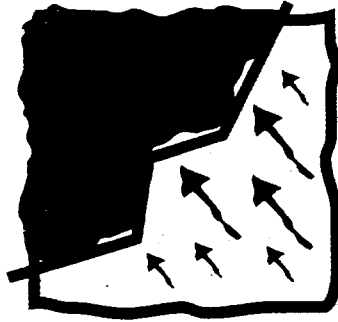


S. Cook
Director of Planning and Development

For further information contact G Smith, Head of Business Development and Property.

BOOST FOR BUSINESS START-UP





BOOST

for Business Start Up

*A grant for
unemployed
people
becoming
self employed*

BOOST for Business Start Up is a grant of £500 available to unemployed people to assist them in becoming self employed. A further £300 top up grant is available from Employment Services for those individuals who have been unemployed for 6 months or longer.

Please complete this form and return to :-

The Business Development Unit,
Industrial Development & Estates Division,
Motherwell District Council, PO Box 14,
Civic Centre, Motherwell ML1 1TW.

Telephone (0698) 266166.

Fax (0698) 276320.

1. Personal Details :

1.1 Name _____

1.2 Address _____

Postcode _____ 1.3 Telephone No _____

1.4 Date of Birth _____ 1.5 Status _____

1.6 Dependent Relatives _____

2. Employment History :

2.1 Employed Unemployed

2.2 How long have you been registered unemployed ? _____

2.3 Are you in receipt of benefit ? Yes No

2.4 Present Weekly Income _____

2.5 National Insurance Number _____

2.6 Outline your work experience relevant to your new business idea.

3. Company Information :

(tick as appropriate) :-

3.1 Sole Trader Partnership Limited Company Other

3.2 Company Name _____

3.3 Business Address _____
 _____ Postcode _____

3.4 Telephone No _____ Fax No _____

Do you require premises ? Yes No

What size of premises do you require ? _____ sq. ft.

Where do you require premises ? _____

3. Company Information cont :

3.5 Does your business require any special trading licenses or planning permission ?

Yes No

If so, please give details

3.6 Describe your business idea

(Enclose with this plan any photographs, illustrations, brochures or samples of your proposed product / service.)

4. Market Information :

4.1 Give details of where you intend to sell your product / service :

4.2 Who are your prospective customers ?

Give names and addresses where possible, include details of firm orders on hand.

4.3 What forms of advertising / promotion do you intend to use ?

5. Financial Information :

5.1 If awarded BOOST for Business Start Up how will the money be used ?

5.2 What forms of Training / Assistance have you had in your business start up ?

5. Financial Information :

5.3 Have you had counselling at MEDCO ?

What other forms of financial assistance has your business received or is expected to receive (include bank loans, overdrafts, grants etc)?

5.4 Name of organisation	Type of Assistance (ie. grant, loan etc)	Amount	Date received or is expected to be received
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5.5 Please complete the attached CASH FLOW FORECAST which should include BOOST for Business Start Up money.

6. Banking Information :

6.1 Name and address of Bank Sorting Code No.

Business Account No.

6.2 Name and address of Accountants

Declaration :

I understand and agree that any funds provided must be used for the purpose described on this form and I agree to abide by any conditions the approving panels may impose. I also understand that if the business does not start within six weeks of the date of issue of such funds then all sums paid will immediately be refunded to Motherwell District Council.

Signature of Applicant : _____ Date : _____

Month	1		2		3		4		5		6		7		8		9		10		11		12		Total	
Income																										
Received from Cash Sales																										
Received from Debtors																										
(A) Total																										
Expenditure																										
Materials																										
Wages and National Insurance																										
Rent and Rates																										
Telephone and Stationery and Postage																										
Advertising and Promotion																										
Electricity																										
Transport																										
Audit Accountancy																										
Insurance																										
H.P.																										
Sundries																										
Drawings																										
(B) Total																										
(C) Monthly Working Capital																										
(A-B)																										
(D) Cumulative Working Capital																										
Capital Expenditure																										
Premises																										
Machinery/Equipment																										
Vehicles																										
(E) Total																										
Cash Introduced																										
Own Investment																										
Loans																										
Grants																										
(F) Total																										
(G) Monthly Balance																										
(C-E + F)																										
(H) Running Balance																										
Bank Interest																										
(J) Closing Balance																										